

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>04-626</u>
v.	:	DATE FILED: <u>10/1/04</u>
JOHN MANCINELLI, Sr.	:	VIOLATIONS:
RITA MANCINELLI	:	18 U.S.C. § 1010 (false statement to HUD
	:	- 1 count)
	:	18 U.S.C. § 2
	:	Notice of additional factors

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. The United States Department of Housing and Urban Development (“HUD”) was the federal agency charged with administering national housing programs.
2. HUD contracted with private management companies to protect and preserve single-family properties that were owned by HUD or in the custody of HUD. Typically, these properties had been foreclosed upon and were vacant, and HUD intended to market them for sale. Under HUD’s contracts with the management companies, these companies were responsible for “clean out” and preservation work, which included boarding windows and doors, removing debris, changing locks, and winterization. In turn, HUD anticipated that the management companies would subcontract the actual clean out and preservation work to other, smaller contractors.

3. In and about August, 1999, HUD signed a contract with First Preston Management, Inc., d/b/a First Preston Foreclosure Specialists (“First Preston”), pursuant to which First Preston agreed to provide management and marketing services for properties owned by or in the custody of HUD.

4. HUD required First Preston to obtain three competitive bids for all debris removal costing between \$1,000 and \$2,500. For work costing more than \$2,500, HUD required First Preston to obtain three bids, submit them to a government representative, and obtain written approval from the representative before proceeding with the work. HUD further required First Preston to submit copies of the competitive bids to HUD, along with the invoice for the work, as a prerequisite to payment.

5. To fulfill its contract with HUD, First Preston hired subcontractors, such as R.A. Property Services Inc., to clean out and repair the HUD properties.

6. Defendant RITA MANCINELLI owned R.A. Property Services Inc., of Aston, PA, a firm that she operated with her husband, defendant JOHN MANCINELLI, SR. R.A. Property Services Inc. was in the business of performing preservation and maintenance work on HUD properties.

7. On multiple occasions from in or about October 1999 to in or about November 1999, in the Eastern District of Pennsylvania, defendants JOHN MANCINELLI, SR. and RITA MANCINELLI defrauded HUD by submitting false and fictitious bids, purportedly from the competitors of R.A. Property Services Inc., along with their own bid for HUD-funded protection and preservation work. In this manner, defendants RITA MANCINELLI and JOHN MANCINELLI, SR. fraudulently obtained more than \$18,000 in contracts.

8. On or about November 5, 1999, in Aston, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHN MANCINELLI, SR.
and
RITA MANCINELLI**

for the purpose of influencing the actions of HUD, uttered, published, and passed as true an instrument, paper or document, knowing it to have been altered, forged and counterfeited, and aided, abetted and caused the uttering, publishing, and passing as true of an instrument, paper or document, knowing it to have been altered, forged and counterfeited, that is, in order to obtain a HUD-financed contract, defendants submitted, and aided, abetted and caused the submission of false and fictitious bids on the letterhead of C.R. Homes, Inc. and the letterhead of Sparkle Clean, for work at 131 East Coulter Street in Philadelphia, Pennsylvania.

In violation of Title 18, United States Code, Sections 1010 and 2.

NOTICE OF ADDITIONAL FACTORS

THE GRAND JURY FURTHER CHARGES THAT:

1. In committing the offense charged in Count One of this information, defendants JOHN MANCINELLI, SR. and RITA MANCINELLI:
 - a. Caused a loss of more than \$10,000 but less than \$20,000, as described in U.S.S.G. § 2F1.1(b)(D); and
 - b. Engaged in more than minimal planning, as described in U.S.S.G. §2F1.1(b)(2) and Application Note (f) to §1B1.1.
2. Additionally, in committing the offense charged in Count One of this information, defendant JOHN MANCINELLI, SR.:
 - a. Had a prior conviction for the same conduct as described in U.S.S.G. §4A1.1(c)), and
 - b. Committed this crime while on probation for his prior offense as described in U.S.S.G. §4A1.1(d).

**PATRICK L. MEEHAN
UNITED STATES ATTORNEY**